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OTHER MATTERS

UNITED NATIONS REGULAR AND EXTRABUDGETARY TECHNICAL COOPERATION EXPENDITURES

Information on United Nations system regular and extrabudgetary technical cooperation expenditures financed from sources other than UNDP

Report of the Administrator

I. PURPOSE

1. In order to facilitate the work of the Executive Board, the present report contains a summary of an examination of the data covering the years 1982-1993, a period for which the reliability and degree of aggregation of the data are statistically acceptable. The full examination of the data is available in two addenda to the report. They cover (a) non-UNDP financed technical cooperation expenditures undertaken by the agencies, including the United Nations Population Fund (UNFPA); (b) contributions to support extrabudgetary expenditures of the agencies; (c) expenditures by UNDP, including those from central resources and administered funds; expenditures by the United Nations Children's Fund (UNICEF); (e) expenditures by the World Food Programme (WFP); and technical cooperation expenditures by the World Bank/International Development Association (IDA). All expenditure data refer to field programme expenditure, which is net of administrative and support costs (see notes on the data).

II. FINDINGS

2. The principal findings for the period 1982 to 1993 are:

(a) There is considerable variability of growth rates, both in direction and magnitude, whether variables are measured in nominal or real terms (see

table I). In fact, for several variables, growth rates are so volatile that measures of central tendencies, particularly the simple arithmetic mean, offer little guide. It is thus very difficult to predict future rates of growth from past behaviour. This can be taken as a rough indicator of the fragility of financial flows to the United Nations system;

(b) Major aggregates stagnated in real terms. In other words, when rising prices (measured at 1987 prices as gauged by the United States consumer price index) are factored into the equation, several variables were only marginally larger at the end of the period than in 1982. These include total non-UNDP-financed technical cooperation expenditures (NFTCE), which grew by a mean rate of 1.3 per cent in real terms; if growth is gauged by the median, then a contraction of 1.3 per cent took place. A similar picture of stagnation or marginal growth characterizes both technical cooperation expenditure from the United Nations system and expenditure from UNDP as a whole (central resources and administered funds). On the other hand, total assistance (technical and operational) delivered by the United Nations system has increased in real terms by an average of about 3 per cent per year.

A more disaggregated look at these broad aggregate variables reveals that stability is the net result of changes in the various components comprising these broad aggregates. For example, the drag on real non-UNDP-financed technical cooperation expenditure apparently resulted from the performance of two of its three components, as can be seen from table 1. Similarly, the small real growth in technical cooperation from the entire United Nations system (agencies, UNDP and the World Bank/IDA) owes its stimulus to the World Bank/IDA; that is, to the rise of concessional technical assistance;

(c) Technical cooperation assistance delivered by the United Nations system stagnated while total assistance grew in real terms by at least 3 per cent during the 12-year period. The relatively strong growth of total assistance derived from the strong growth of operational expenditure (constituting the distinction between the two types of assistance), which grew by an average of 6 per cent in real terms during the period (10 per cent in nominal terms). As a result, operational activities have grown in relative importance: in 1982 they consumed 27 per cent of total United Nations system resources but by 1993 this figure rose to 37 per cent. All indicators point to a continued compression of technical cooperation from the United Nations system;

(d) Stability and change are also reflected in many ratios. The relative shares of UNDP and the agencies in grant technical cooperation, for example, remained remarkably constant – at the beginning and at the ending of the period, the shares of both have remained unchanged (table II). This same degree of constancy also characterizes the shares of bilateral and multilateral donors in total extrabudgetary contributions. However, other ratios have not been so resilient, as table II indicates.

The situation in 1993

3. In general, the year 1993 was a mixed one if expenditures are counted in nominal terms. If rising prices are taken into account, then a picture of decline emerges, at least as far as several of the broad aggregates are

concerned. Starting from the base of 1992, the specific details in 1993 are as follows:

(a) Non-UNDP-financed technical cooperation expenditure dropped 0.15 per cent;

(b) Grant technical cooperation of the entire United Nations system rose by 1.3 per cent;

(c) Total (grant plus concessional) technical cooperation of the entire United Nations system showed a sharp rise of 8.4 per cent;

(d) Grant assistance (grant technical plus operational) of the United Nations system was basically flat (0.1 per cent increase);

(e) Total assistance (total technical plus operational) of the United Nations system grew by 4.7 per cent;

(f) Operational expenditure (UNICEF and WFP) declined by 1.2 per cent after six years of rapid growth;

(g) Regular budget expenditures of agencies increased by 4.2 per cent;

(h) Extrabudgetary budgets expenditures of agencies contracted by 3.1 per cent;

(i) Expenditures by UNFPA rose by 4.7 per cent;

(j) Total field programme expenditure by UNDP rose by 3.3 per cent; those from central resources rose by 0.4 per cent; and those from administered funds rose by 25.4 per cent;

(k) Expenditures by UNICEF expanded by 8.1 per cent;

(l) Expenditures by WFP declined by 5.5 per cent;

(m) Total technical cooperation expenditure by the World Bank/IDA rose by 23 per cent; those by the World Bank rose by 25 per cent; and those by IDA rose by 19.4 per cent;

(n) Contributions to agency extrabudgetary expenditures increased by 10 per cent;

(o) The two components of total contributions, bilateral and multilateral, increased by 6.6 and 17.2 per cent respectively.

III. EXECUTIVE BOARD ACTION

4. The Executive Board may wish to take note of the present report.

Table I. Summary statistics on United Nations system expenditures, 1982-1992

Variable	Nominal amt		Real amt		Mean growth		Median growth		Std. deviation	
	1982	1993	1982	1993	Nom.	Real	Nom.	Real	Nom.	Real
A. Expenditure					For the period 1982-1993					
NFTCE	768	1288	905	1013	5.3	1.3	2.3	-1.3	9.6	8.6
EBE	412	808	485	636	7.1	3.0	5.0	0.4	12.5	11.5
RBE	242	346	285	272	5.0	1.0	5.1	2.1	13.8	12.8
UNFPA	114	134	134	105	1.3	-2.6	4.8	1.5	14.4	13.7
TC, excl. WB/IDA	1490	2492	1755	1961	4.5	0.5	2.8	-0.7	8.0	7.6
TC, incl. WB/IDA	2221	3940	2616	3100	5.7	1.7	5.8	1.3	4.7	4.6
Total UN asst., excl. WB/IDA	2289	4784	2696	3764	6.5	2.5	6.1	3.1	5.5	5.2
Total UN asst., incl. WB/IDA	3020	6232	3557	4903	6.9	2.9	7.5	3.1	2.9	2.8
Operational activities	786	2293	941	1803	10.1	5.9	7.7	3.6	9.5	9.1
Total UNDP	722	1204	850	947	4.0	0.1	4.4	1.3	10.8	10.7
Central resources	661	1031	779	811	3.5	-0.4	4.3	0.2	12.0	11.8
Administered funds	61	173	72	136	8.6	4.5	4.0	0.1	13.1	13.4
UNICEF	205	804	241	633	12.1	7.9	13.2	9.2	9.8	9.9
WFP	594	1488	700	1171	9.7	5.5	8.8	3.3	15.1	14.4
World Bank Group	731	1448	861	1139	9.8	5.6	9.7	6.1	14.2	13.6
World Bank	447	944	661	743	11.4	7.1	9.8	6.1	18.2	17.5
IDA	284	504	335	397	7.8	3.7	5.0	1.6	11.2	10.6
B. Contribution to extrabudgetary expenditures										
Total contributions	524	1070	617	842	6.8	2.8	10.2	5.4	14.0	13.8
Total bilateral	346	709	408	558	7.3	3.3	8.4	4.2	17.3	16.9
Countries/territories	231	601	272	473	9.7	5.6	7.6	3.5	19.2	19.1
NGOs	9	36	11	28	12.2	8.0	13.5	10.2	25.0	24.0
Unilateral self-supporting	106	72	125	57	-0.3	-4.2	-4.5	-8.9	25.8	24.5
Total multilateral	178	361	210	284	7.1	3.0	8.4	4.0	17.4	17.0
United Nations system	161	299	190	235	6.4	2.4	8.8	4.5	22.1	21.4
Non-United Nations system	17	62	20	49	28.6	23.6	4.3	0.3	54.3	51.7

Table II. United Nations System: summary statistics on some ratios, 1982-1993

Ratio	1982	1993	Mean	Median	Std. dev.
A. Grant technical cooperation			For the period 1982-1993		
Share of agencies (incl. UNFPA)	51.5	51.7	52.9	52.8	2.6
Share of UNDP	48.5	48.3	47.1	47.2	2.6
B. Total technical cooperation					
Share of agencies (incl. UNFPA)	24.6	32.7	33.8	34.3	2.1
Share of UNDP	32.5	30.6	30.1	31.1	2.8
Share of World Bank/IDA	39.9	36.8	36.0	36.9	3.7
C. Grant TC as a share of grant TAS	65.9	52.1	58.4	58.9	4.0
D. Total TC as a share of total TAS	73.5	63.2	68.7	69.4	3.9
E. WFP and UNICEF as a share of grant TAS	34.9	47.9	41.6	41.1	4.0
F. WFP and UNICEF as a share of total TAS	26.5	36.8	31.3	30.6	3.9
G. Share of NFTCE					
EBE	53.6	62.7	56.5	55.7	5.1
RBE	31.5	31.5	30.1	29.2	4.3
UNFPA	14.8	10.4	13.5	14.0	2.2
H. Extrabudgetary contributions					
Total bilateral	66.0	66.3	66.9	66.1	2.7
Countries/territories	66.8	84.8	77.4	80.4	8.5
NGOs	2.6	5.1	4.1	4.1	0.8
Self-supporting	30.6	10.2	18.4	15.6	8.8
Total multilateral	34.3	33.7	33.1	33.9	2.7
United Nations system	90.4	92.8	86.0	85.5	4.1
Non-United Nations system	9.6	17.2	14.0	14.5	4.1

Note: TAS = total assistance by the United Nations system. Grant TAS is the sum of expenditures by UNDP (central resources and administered funds), agencies UNFPA, WPF and UNICEF. Total TAS is grant TAS plus technical cooperation expenditures by the World Bank/IDA.